

Amendments to the Specification:

Please replace paragraph [0002] with the following amended paragraph:

[0002] With the AIDS epidemic that began in the 1980s, life settlement transactions began to be seen as a useful tool for realizing liquidity from an existing, in-force life insurance policy during the insured's lifetime. AIDS victims facing inevitable and proximate death were offered cash for the transfer of their life insurance policies with beneficiary and ownership rights transferring to the buyer. The buyer would then make remaining premiums (if necessary) until the death of the insured. This provided cash where none would otherwise be available during the lifetime of the insured, but only to a survivor. Viatical settlements refer to insureds with actuarial life expectancy of less than two years. Since the inception of viatical settlements, a new market in the form of senior settlements (or life settlements) has developed for the sale of policies with life expectancies of more [[then]] than two years. Typically these policies insure seniors over the age of 65 or perhaps younger if the insured has health issues. Generally speaking, investors are looking for policies where the insured's life expectancy is less than 15 years. A growing market has arisen for the purchase and sale of life insurance policies in such life settlement transactions.

Please replace paragraph [0011] with the following amended paragraph:

[0011] All data posted online can be anonymous if requested by the seller and searchable by category, such as by death benefit, by age or range of age of insured, by actuarial life expectancy of the insured, by percentage of cash value as it relates to death benefits, by premiums as a percentage [[or]] of death benefits, by health conditions, etc. All data relating to an insured in a policy are entered into the database as the policy is posted, so that each policy can be found by a potential buyer's searching any of a number of different fields.

Please replace paragraph [0022] with the following amended paragraph:

[0022] Fig. 1 shows the system of the prior art, i.e., the typical transactions and layers of parties involved in a life settlement or viatical transaction. In the drawing, sellers and

representatives of sellers are shown below the dashed line 10. This includes, below the dashed line 12, policy owners or insureds themselves, indicated at 14. The policy owners in the typical system prior to the invention would usually contact or be contacted by insurance agents indicated at 16, regarding the possibility of sale of their in-force policies. The drawing indicates that insurance agents engage in marketing efforts 18, and may have formed strategic alliances 20 with other companies that service seniors (such as other insurance products, annuities or prescriptions drugs) to enlist policy owners to sell their policies.

Please replace paragraph [0026] with the following amended paragraph:

[0026] Fig. 2 shows the system of the invention. Here, an Internet website 30 acts as a central clearing house for purchase and sale of in-force life insurance policies, in viatical settlements and life settlement transactions; the website 30 receives information about policies that might be sold by the policy owners 32, provided an adequate return is realized by the policy owner. This information includes [[a]] anonymous and searchable data, particularly financial, medical and personal data concerning the policy and the insured. Buyers will also have access to a PDF file of the medical records as well as an in-force illustration. Information from the medical records and in force policy is extracted and can be searched by category (as explained above) by authorized buyers who are members. These buyers, again, may include insurance companies 22, pension funds 24, private investors 26 and others 28, including foreign investors. These parties have pre-arranged memberships with the website 30, and access to the policies in the website's database, using a password. This provides an efficient and central auction site that brings buyers and sellers directly together. There will also be the capability to change the language of the text to assist foreign investors.

Please replace paragraph [0028] with the following amended paragraph:

[0028] As [[AS]] indicated in Fig. 2 and as noted above, the website 30, although accessed in many cases directly by policy owners 32, may also be accessed by insurance agents 38, acting on behalf of policy owners. These agents can directly provide policy owners information as just discussed, regarding the possibility of buying larger face value insurance policies using a lump

sum received from a life settlement or viatical transaction, or paying for such insurance through other creative planning options. Such information is important in giving the policy owner an understanding of the advantages that can be realized in making such a transaction and purchasing a greater amount of insurance without actual cost. The proceeds of the life settlement are taxable above the basis (premiums paid). The amount above the basis can also be structured to be ~~tax~~ tax-free under certain scenarios.

Please replace paragraph [0031] with the following amended paragraph:

[0031] As also reviewed earlier, the website may include a "buy it now" feature, indicated at 42, similar to the auction offerings currently made on the E-Bay eBay™ internet website.

Please replace paragraph [0036] with the following amended paragraph:

[0036] Fig. 5 shows an example of a screen that might appear after entry of all the criteria discussed relative to Fig. 4, or simply with the "browse all" choice 70 selected. In the latter event, the system will bring up a number of successive pages of policies that are up for sale, without regard to such criterion as the type of insurance, face amount, cash value, health status, etc. This will enable the user to browse through a large number of policies offered for sale, and to quickly compare current bid 72 to total face amount 74, appraised value 76 (if the system has appraised the policy), life expectancy 78, percent of cash value to face amount 80, percent of premium to face amount 82, or other values or data relating to the policy. At any time in the browsing of these pages the user can click on any of the criteria 72-82 and the system will then reorganize all of the listed policies on the basis of the criterion selected. The site can be operative to reverse the order (e.g., highest numbers down to smallest numbers, rather than smallest numbers down to highest numbers) if the same criterion is clicked twice.

Please replace paragraph [0047] with the following amended paragraph:

[0047] The bottom of Fig. 6 also shows links which preferably are included, to initiate tracking of an owner or agent's policy, with notification by the site (e.g., e-mail) when an optimal time

arises to sell the policy, or to obtain an appraisal of a policy. These links will connect the user to the columns 56 and 54 in Fig. 3, the home page or first operational page of the site.

Please replace paragraph [0048] with the following amended paragraph:

[0048] In Fig. 3 the "appraise a policy" column 54 preferably includes an agent member log on 100 and an individual indicator 102. Once one of these is selected and the information entered, a screen such as shown in Fig. 7 appears, "appraise a policy". This page enables a user to view one or more policies that have already been appraised, or to order a formal appraisal of a policy. This formal appraisal may be provided without charge, provided the client signs the required forms and meets certain criteria as to being a probably probable candidate for a life settlement or viatical transaction. Fig. 7 also shows a preferred feature whereby a user may obtain an informal appraisal, by entering basic information as indicated directly on the screen. These can include drop-down screens, with health standards that are well known and used in the insurance industry in the event an agent is entering information. These health standards range from a preferred status for a potential insured down through typically nine different tables, to a "decline" status. If an individual, such as a policy owner, is using the site, a different drop-down screen can be used for general information. This is only to provide an informal appraisal. The individual will be prompted to enter premiums, face value, etc., and cash value if known. The system will then automatically calculate, based on history and a database of transactions that have been completed, a rough estimate or approximate range of prices that might be obtained for the individual for the particular policy.

Please replace paragraph [0049] with the following amended paragraph:

[0049] Returning to Fig. 3, the column 56 shows the option "track your policy". Here again, the agent normally is required to log in. Insurance brokers can also log in, at 105, and individuals can indicate status at 102. An example of a "track your policy" page is shown in Fig. 8. The drawing shows a list of services that can be provided to agents or individual owners. The purpose of the services is to keep a policy in good standing and to obtain a good price for the policy when an optimum time occurs to sell the policy. Thus, the list includes "don't let it lapse",

which may be a service to make required premium payments in the event the policy owner forgets or is unable to make the premium payments. The premium payments might be made from funds deposited by the insured, such a fund bearing interest, or from another account of the insured, ~~form~~ from which the system is authorized to withdraw needed funds for premiums. This provides added protection against losing a policy, for a person who has gone on the website and knows that a viatical or life settlement transaction may be a good option in the future. Other features are "remind me to pay premium", which can be via e-mail or regular mail, or other means, and "notify me when it is time to sell" which is based on the site's continual evaluation of the policy such as occurs when one chooses the "swap my policy" option shown in Fig. 8 and also Fig. 9. The "swap my policy" button is a link to an agent or broker who might be able to offer the user a better insurance policy, regardless of whether a life settlement transaction is involved. Other choices are "purchase my policy now" (or "sell now"), discussed above, "appraise my policy", also discussed above and "order in-force illustrations". This latter choice will bring up a screen with a consent form in the case of an individual, consenting to allow an agent or broker to obtain the in-force illustrations, or, if the user is an agent for the policy involved, the consent form is not needed.

Please replace paragraph [0051] with the following amended paragraph:

[0051] Fig. 9 shows the "swap my policy" feature. Here, a potential seller can enter minimal information, on a policy which is not already in the system. As noted, these include age, sex, height, weight, health status. They can be entered with a pull-down screen or window that enables the user to select from a number of different choices. This can be the manner in which the other choices function, as well. The user of the system can then either select "show current appraised value" or "calculate the appraised value". The former is only for the case where the user's policy dated ~~data~~ is already in the system, and is part of the tracking described in Fig. 8. The option to calculate appraised value will give an approximate range of values for the policy based on the information entered by the user, for policies that are not already in the system. As seen in Fig. 9, the user is also prompted to enter his current annual premiums, the number of years premiums are due, and the face amount of the policy. The calculation of the approximate

value is then done automatically, and in an output screen, as indicated in the drawing, the system algorithms will indicate the annual savings that could be realized by selling the policy for the approximate value and purchasing a new policy. This output is based on algorithms which have currently been used by life settlement brokers A, B, C, and D in Fig. 1, for calculating and approximate current value of an in force policy. It is based on not only information such as shown in the upper part of Fig. 9, but also more detailed medical information, input after review of critical medical and personal information of the insured, including a review of actual medical records. The calculation is also based on typical algorithms used by insurance underwriters to determine the premiums for a new insurance policy based on personal and medical history, etc. With the use of these two type of algorithms, the software of the system can automatically make a comparison of current premiums with a new policy, with the same face amount or a higher face amount for the policy, etc., and display this to a user who wants to explore selling his policy. Note that in Fig. 8, the option "notify me when it's time to sell", can be an automatic calculation based on the above description, with the two types of algorithms in the system. The conclusion that the time is right to sell a policy being tracked is based on economic advantage of the policy holder in the event of such sale and "swapping" of a policy for a new policy.